

Form **990****Return of Organization Exempt From Income Tax**

OMB No. 1545-0047

2017**Open to Public Inspection**Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

A For the 2017 calendar year, or tax year beginning , 2017, and ending , 20																										
B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2">C Name of organization BLUE CROSS BLUE SHIELD ASSOCIATION</td> <td>D Employer identification number 13-5656874</td> </tr> <tr> <td colspan="2">Doing business as</td> <td rowspan="3">E Telephone number (312) 297-6000</td> </tr> <tr> <td>Number and street (or P.O. box if mail is not delivered to street address)</td> <td>Room/suite</td> </tr> <tr> <td colspan="2">225 NORTH MICHIGAN AVENUE</td> </tr> <tr> <td colspan="2">City or town, state or province, country, and ZIP or foreign postal code CHICAGO, IL 60601</td> <td>G Gross receipts \$ 670,558,891.</td> </tr> <tr> <td colspan="2">F Name and address of principal officer: SCOTT SEROTA 225 NORTH MICHIGAN AVENUE CHICAGO, IL 60601</td> <td> H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) </td> </tr> <tr> <td colspan="3"> I Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c)(4) () (insert no.) 4947(a)(1) or 527 </td> </tr> <tr> <td colspan="3">J Website: WWW.BCBS.COM</td> </tr> <tr> <td colspan="2">K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶</td> <td>L Year of formation: 1948 M State of legal domicile: IL</td> </tr> </table>	C Name of organization BLUE CROSS BLUE SHIELD ASSOCIATION		D Employer identification number 13-5656874	Doing business as		E Telephone number (312) 297-6000	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	225 NORTH MICHIGAN AVENUE		City or town, state or province, country, and ZIP or foreign postal code CHICAGO, IL 60601		G Gross receipts \$ 670,558,891.	F Name and address of principal officer: SCOTT SEROTA 225 NORTH MICHIGAN AVENUE CHICAGO, IL 60601		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	I Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c)(4) () (insert no.) 4947(a)(1) or 527			J Website: WWW.BCBS.COM			K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1948 M State of legal domicile: IL
C Name of organization BLUE CROSS BLUE SHIELD ASSOCIATION		D Employer identification number 13-5656874																								
Doing business as		E Telephone number (312) 297-6000																								
Number and street (or P.O. box if mail is not delivered to street address)	Room/suite																									
225 NORTH MICHIGAN AVENUE																										
City or town, state or province, country, and ZIP or foreign postal code CHICAGO, IL 60601		G Gross receipts \$ 670,558,891.																								
F Name and address of principal officer: SCOTT SEROTA 225 NORTH MICHIGAN AVENUE CHICAGO, IL 60601		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)																								
I Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c)(4) () (insert no.) 4947(a)(1) or 527																										
J Website: WWW.BCBS.COM																										
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1948 M State of legal domicile: IL																								

Part I Summary

1 Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O		
2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
Activities & Governance	3 Number of voting members of the governing body (Part VI, line 1a)	37.
	4 Number of independent voting members of the governing body (Part VI, line 1b)	36.
	5 Total number of individuals employed in calendar year 2017 (Part V, line 2a)	1,542.
	6 Total number of volunteers (estimate if necessary)	0.
	7a Total unrelated business revenue from Part VIII, column (C), line 12	8,972,214.
	7b Net unrelated business taxable income from Form 990-T, line 34	0.
Revenue	8 Contributions and grants (Part VIII, line 1h)	0.
	9 Program service revenue (Part VIII, line 2g)	529,379,397.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,493,769.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,256,939.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	536,130,105.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	209,581,774.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.	
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	325,374,555.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	534,956,329.
	19 Revenue less expenses. Subtract line 18 from line 12	1,173,776.
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	646,430,670.
	21 Total liabilities (Part X, line 26)	539,476,077.
	22 Net assets or fund balances. Subtract line 21 from line 20.	106,954,593.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here			11/13/2018	
	Signature of officer		Date	
	ROBERT J. KOLODGY		EVP & CFO	
	Type or print name and title			
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature	Date
	ERICA R MCREYNOLDS			
	Firm's name ▶ PRICEWATERHOUSECOOPERS LLP		Firm's EIN ▶ 13-4008324	PTIN P00977806
	Firm's address ▶ 2001 MARKET STREET, SUITE 1800 PHILADELPHIA, PA 19103		Phone no. 267-330-3000	

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☒ No

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2017)

**Application for Automatic Extension of Time To File an
Exempt Organization Return**

OMB No. 1545-1709

► **File a separate application for each return.**
 ► **Information about Form 8868 and its instructions is at www.irs.gov/form8868.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile, click on Charities & Non-Profits, and click on *e-file for Charities and Non-Profits*.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

		Enter filer's identifying number, see instructions
Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
	BLUE CROSS AND BLUE SHIELD ASSOCIATION	13-5656874
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	225 NORTH MICHIGAN AVENUE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	CHICAGO, IL 60601	

Enter the Return Code for the return that this application is for (file a separate application for each return) **01**

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

ROBERT J. KOLODGY

- The books are in the care of ► 225 NORTH MICHIGAN AVENUE CHICAGO IL 60601

Telephone No. ► 312 297-6462 Fax No. ►

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 1 I request an automatic 6-month extension of time until 11/15, 2018, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ☒ calendar year 2017 or
 ► ☐ tax year beginning _____, 20____, and ending _____, 20____.

- 2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution. If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8868** (Rev. 1-2017)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐ Yes ☒ No**1** Briefly describe the organization's mission:

SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code:) (Expenses \$ 203,148,009. including grants of \$) (Revenue \$ 203,306,029.)

SEE SCHEDULE O

4b (Code:) (Expenses \$ 160,764,928. including grants of \$) (Revenue \$ 164,327,626.)

SEE SCHEDULE O

4c (Code:) (Expenses \$ 61,634,128. including grants of \$) (Revenue \$ 56,972,198.)

SEE SCHEDULE O

4d Other program services (Describe in Schedule O.)

(Expenses \$ 146,236,593. including grants of \$) (Revenue \$ 155,786,533.)

4e Total program service expenses ► 571,783,658.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i>	1	X
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	2	X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>	3	X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>	4	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>	5	X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i>	6	X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II.</i>	7	X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i>	8	X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i>	9	X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i>	10	X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>	11a	X
b Did the organization report an amount for investments-other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>	11b	X
c Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>	11c	X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>	11d	X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>	11e	X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i>	11f	X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII.</i>	12a	X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional.</i>	12b	X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	X
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV.</i>	14b	X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV.</i>	15	X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV.</i>	16	X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> (see instructions).	17	X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>	18	X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	X

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H.</i>	20a	X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>	21	X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i>	22	X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>	23	X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a.</i>	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i>	25a	X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i>	25b	X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II.</i>	26	X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III.</i>	27	X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>	28a	X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>	28b	X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i>	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>	33	X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1.</i>	34	X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>	35b	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i>	36	
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i>	37	X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	38	X

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. 1a 212		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. 1b 0.		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? 1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. . 2a 1,542		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions). 2b	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year? 3a	X	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O. 3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 4a		X
b	If "Yes," enter the name of the foreign country: ► See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? 5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? 5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T? 5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? 6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? 6b		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? 7a		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided? 7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? 7c		
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? 7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 7f		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? 7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? . 7h		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year? 8		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966? 9a		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? 9b		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12 10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. 10b		
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders. 11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 11b		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? 12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year. 12b		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? 13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b		
c	Enter the amount of reserves on hand 13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year? 14a		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O 14b		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI ☒ **X**

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	37	
1b Enter the number of voting members included in line 1a, above, who are independent	36	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	X	
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . .		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets? . . .		X
6 Did the organization have members or stockholders?	X	
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates?	X	
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . .	X	
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? .	X	
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13 Did the organization have a written whistleblower policy?	X	
14 Did the organization have a written document retention and destruction policy?	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	X	
b Other officers or key employees of the organization	X	
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	X	
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	X	

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **IL**,
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **▶**

ROBERT J. KOLODGY 225 NORTH MICHIGAN AVENUE CHICAGO, IL 60601

312-297-6462

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII. ☒ X**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DAVID W ANDERSON BOARDMEMBER	4.00 0.	X						0.	0.	0.
(2) CURTIS BARNETT BOARDMEMBER	4.00 0.	X						0.	0.	0.
(3) RICHARD L BOALS BOARDMEMBER	4.00 0.	X						0.	0.	0.
(4) CHRISTOPHER BOOTH BOARDMEMBER	4.00 0.	X						0.	0.	0.
(5) GAIL BOUDREAUX BOARDMEMBER	1.00 0.	X						0.	0.	0.
(6) CHESTER BURRELL BOARDMEMBER	4.00 0.	X						0.	0.	0.
(7) PATRICK CONWAY BOARDMEMBER	1.00 0.	X						0.	0.	0.
(8) ANDREW C CORBIN BOARDMEMBER	4.00 0.	X						0.	0.	0.
(9) ANDREW DREYFUS BOARDMEMBER	4.00 0.	X						0.	0.	0.
(10) JOHN D FORSYTH BOARDMEMBER	6.00 0.	X						0.	0.	0.
(11) MARK B GANZ BOARDMEMBER	4.00 0.	X						0.	0.	0.
(12) ROBERTO GARCIA-RODRIGUEZ BOARDMEMBER	4.00 0.	X						0.	0.	0.
(13) DON C GEORGE BOARDMEMBER	4.00 0.	X						0.	0.	0.
(14) PATRICK J GERAGHTY BOARDMEMBER	4.00 0.	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) SANDY A GIBSON ----- BOARDMEMBER	2.00 0.	X						0.	0.	0.
(16) MICHAEL A GOLD ----- BOARDMEMBER	4.00 0.	X						0.	0.	0.
(17) MICHAEL GUYETTE ----- BOARDMEMBER	4.00 0.	X						0.	0.	0.
(18) J D HICKEY ----- BOARDMEMBER	6.00 0.	X						0.	0.	0.
(19) DANIEL J HILFERTY ----- BOARDMEMBER	6.00 0.	X						0.	0.	0.
(20) DAVID HOLMBERG ----- BOARDMEMBER	4.00 0.	X						0.	0.	0.
(21) TIM HUCKLE ----- BOARDMEMBER	4.00 0.	X						0.	0.	0.
(22) KIM KECK ----- BOARDMEMBER	4.00 0.	X						0.	0.	0.
(23) PAM KEHALY ----- BOARDMEMBER	1.00 0.	X						0.	0.	0.
(24) TERRY KELLOGG ----- BOARDMEMBER	4.00 0.	X						0.	0.	0.
(25) SCOTT D KREILING ----- BOARDMEMBER	4.00 0.	X						0.	0.	0.
1b Sub-total								0.	0.	0.
c Total from continuation sheets to Part VII, Section A								23,699,195.	0.	6,447,966.
d Total (add lines 1b and 1c)								23,699,195.	0.	6,447,966.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ► 37

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 1		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ► 146

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(26) DANIEL LOEPP BOARDMEMBER	6.00 0.	X						0.	0.	0.
(27) CHARLENE MAHER BOARDMEMBER	4.00 0.	X						0.	0.	0.
(28) ROBERTO MARINO BOARDMEMBER	4.00 0.	X						0.	0.	0.
(29) PAUL MARKOVISH BOARDMEMBER	6.00 0.	X						0.	0.	0.
(30) STEVEN S MARTIN BOARDMEMBER	4.00 0.	X						0.	0.	0.
(31) DAVID S PANKAU BOARDMEMBER	6.00 0.	X						0.	0.	0.
(32) CAROL PIGOTT BOARDMEMBER	4.00 0.	X						0.	0.	0.
(33) JEFF ROE BOARDMEMBER	4.00 0.	X						0.	0.	0.
(34) RICK SCHUM BOARDMEMBER	6.00 0.	X						0.	0.	0.
(35) GARY D ST HILAIRE BOARDMEMBER	4.00 0.	X						0.	0.	0.
(36) PAULA A STEINER BOARDMEMBER	4.00 0.	X						0.	0.	0.
1b Sub-total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ► 37

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ►

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(37) JOSEPH R SWEDISH BOARDMEMBER	4.00 0.	X						0.	0.	0.
(38) UDVARHELYI STEVEN BOARDMEMBER	4.00 0.	X						0.	0.	0.
(39) J BRADLEY WILSON BOARDMEMBER	4.00 0.	X						0.	0.	0.
(40) DANETTE K WILSON BOARDMEMBER	4.00 0.	X						0.	0.	0.
(41) SCOTT P SEROTA PRESIDENT, CEO & BOARD MEMBER	40.00 0.			X				5,564,769.	0.	3,246,079.
(42) JENNIFER ATKINS VP, NETWORK SOLUTIONS	40.00 0.			X				125,104.	0.	25,433.
(43) WILLIAM A BRESKIN SR. VP, GOVERNMENT PROGRAMS	40.00 0.			X				678,712.	0.	141,463.
(44) BHASKAR BULUSU VP, ENTERPRISE INFORMATION	40.00 0.			X				316,115.	0.	71,520.
(45) MAUREEN CAHILL SVP & CHIEF HUMAN RES. OFFICER	40.00 0.			X				577,157.	0.	55,479.
(46) JOHN CERISANO VP, FEDERAL RELATIONS	40.00 0.			X				439,377.	0.	112,848.
(47) TERESA CLARK VP, OFFICE OF CLINICAL AFFAIRS	40.00 0.			X				390,922.	0.	59,528.
1b Sub-total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **37**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **►**

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(48) TERRY COONEY VP INVEST. & NAT EMP BEN ADMIN	40.00 0.			X				490,834.	0.	225,379.
(49) KATHY DIDAWICK VP CONGRESSIONAL COMMUNICATION	40.00 0.			X				491,058.	0.	138,732.
(50) ROBERT DRELICK SR VP, CHIEF INFORMATION OFFIC	40.00 0.			X				235,414.	0.	46,218.
(51) ALISSA T FOX SR VP, POLICY & REPRESENTATION	40.00 0.			X				1,778,404.	0.	31,296.
(52) PAUL GERRARD VP, STRATEGIC COMMUNICATIONS	40.00 0.			X				385,451.	0.	62,219.
(53) KRIS O HALTMEYER VP, HEALTH POLICY & ANALYSIS	40.00 0.			X				467,182.	0.	112,301.
(54) JUSTINE HANDELMAN SVP, POLICY AND REPRESENTATION	40.00 0.			X				544,708.	0.	94,599.
(55) TRENT T HAYWOOD SR VP & CHIEF MEDICAL OFFICER	40.00 0.			X				659,862.	0.	63,926.
(56) KARI J HEDGES SVP, NATIONAL PROGRAMS	40.00 0.			X				626,768.	0.	119,117.
(57) MITCHELL J HELFAND VP, FINANCIAL OPERATIONS	40.00 0.			X				452,390.	0.	133,508.
(58) KIM D HOLLAND VP, STATE AFFAIRS	40.00 0.			X				354,109.	0.	54,725.
1b Sub-total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **37**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **►**

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(59) MIKE JOYCE ----- VP CHIEF AUDITOR & COMPLIANCE	40.00 0.			X				374,445.	0.	141,433.
(60) NASIR KHAN ----- VP & CHIEF TECHNOLOGY OFFICER	40.00 0.			X				492,320.	0.	100,642.
(61) JULIE LYNN KOEWLER ----- VP, BRAND STRATEGY	40.00 0.			X				170,070.	0.	29,685.
(62) ROBERT J KOLODGY JR ----- EXECUTIVE VP & CFO	40.00 0.			X				968,451.	0.	55,014.
(63) BRAD LUBRANT ----- VP, FINANCIAL SERVICES	40.00 0.			X				224,160.	0.	131,781.
(64) NISHA K LULLA ----- VP, OFFICE OF THE PRESIDENT	40.00 0.			X				64,074.	0.	27,719.
(65) NGAN MACDONALD ----- VP, ENTERPRISE DATA SOLUTION	40.00 0.			X				65,411.	0.	28,504.
(66) PETAR NAUMOVSKI ----- VP & CHIEF INFO. SECURITY OFCR	40.00 0.			X				642,548.	0.	55,872.
(67) WILLIAM S NEHS ----- SR VP, GEN COUNSEL & SECRETARY	40.00 0.			X				664,985.	0.	60,881.
(68) WILLIAM O'LOUGHLIN ----- VP & CIO FED. EMPLOYEE PROGRAM	40.00 0.			X				609,307.	0.	33,581.
(69) PATRICK POPE ----- VP, DEP GENL COUN STRAT CO	40.00 0.			X				294,289.	0.	52,198.
1b Sub-total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ► 37

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ►

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(70) MELISSA ROTUNNO VP, DEPUTY GEN. COUNSEL, BRAND	40.00 0.			X				268,193.	0.	47,695.
(71) MAUREEN E SULLIVAN CHIEF STRATEGY & INNOV OFFICER	40.00 0.			X				763,770.	0.	64,040.
(72) MARK TALLUTO VP, STRATEGY AND ANALYTICS	40.00 0.			X				398,837.	0.	52,991.
(73) JENNIFER VACHON EXECUTIVE VP & CHIEF OF STAFF	40.00 0.			X				839,682.	0.	145,083.
(74) JODY A VOSS VP DEVELOP., INNOVATION & GPO	40.00 0.			X				453,366.	0.	68,083.
(75) JOHN BANTA ED, VENTURE FUND	40.00 0.					X		340,867.	0.	243,340.
(76) CAROLE R FLAMM EXECUTIVE MEDICAL DIRECTOR	40.00 0.					X		408,241.	0.	98,130.
(77) WINFRED D LAWRENCE JR ED, ENTERPRISE PROGRAM	40.00 0.					X		343,879.	0.	109,054.
(78) STEVEN PUTZIGER EXC DIR BRAND PROTECT&FINANCE	40.00 0.					X		351,796.	0.	53,588.
(79) DAVID YODER ED, INTEGRATED CARE MGMT	40.00 0.					X		382,168.	0.	54,282.
1b Sub-total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **37**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **►**

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII. ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions) . .	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above .	1f				
	g	Noncash contributions included in lines 1a-1f: \$					
	h	Total. Add lines 1a-1f ▶			0.		
Program Service Revenue				Business Code			
	2a	FEDERAL EMPLOYEE PROGRAM	900099	203,306,029.	203,306,029.		
	b	BLUECARD	900099	164,327,625.	164,327,625.		
	c	OTHER SERVICES	900099	68,070,175.	66,678,444.	1,391,731.	
	d	BRAND ENHANCEMENTS	900099	56,972,198.	56,972,198.		
	e	CONSULTING & MISC. SERVICES	900099	48,090,468.	48,090,468.		
	f	All other program service revenue		39,625,890.	35,435,845.	4,190,045.	
	g	Total. Add lines 2a-2f ▶			580,392,385.		
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts). ▶		2,057,550.			2,057,550.
	4	Income from investment of tax-exempt bond proceeds . ▶		0.			
	5	Royalties ▶		0.			
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less: rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss) ▶			0.		
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
		76,968,656.	7,749,863.				
	b	Less: cost or other basis and sales expenses	70,827,603.	7,739,914.			
	c	Gain or (loss)	6,141,053.	9,949.			
	d	Net gain or (loss) ▶			6,151,001.		6,151,001.
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 a					
	b	Less: direct expenses b					
	c	Net income or (loss) from fundraising events ▶			0.		
	9a	Gross income from gaming activities. See Part IV, line 19 a					
	b	Less: direct expenses b					
c	Net income or (loss) from gaming activities ▶			0.			
10a	Gross sales of inventory, less returns and allowances a						
b	Less: cost of goods sold b						
c	Net income or (loss) from sales of inventory ▶			0.			
Miscellaneous Revenue				Business Code			
11a	K-1 INCOME	900001	3,390,438.		3,390,438.		
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d ▶			3,390,438.			
12	Total revenue. See instructions. ▶			591,991,374.	574,810,609.	8,972,214.	8,208,551.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☒ X**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	0.			
2 Grants and other assistance to domestic individuals. See Part IV, line 22	0.			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	25,869,441.	17,329,576.	8,539,865.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	157,396,344.	155,968,741.	1,427,603.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	14,040,668.	10,934,534.	3,106,134.	
9 Other employee benefits	19,015,161.	17,572,982.	1,442,178.	
10 Payroll taxes	11,358,499.	11,039,939.	318,560.	
11 Fees for services (non-employees):				
a Management	0.			
b Legal	31,598,354.	29,599,949.	1,998,406.	
c Accounting	1,818,623.	1,818,623.		
d Lobbying	4,772,893.	4,772,893.		
e Professional fundraising services. See Part IV, line 17.	0.			
f Investment management fees	0.			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) <u>ATCH 2.</u>	197,813,396.	196,984,374.	829,022.	
12 Advertising and promotion	8,796,497.	8,796,497.		
13 Office expenses	10,213,770.	10,113,955.	99,816.	
14 Information technology	52,858,979.	52,131,758.	727,222.	
15 Royalties	0.			
16 Occupancy	12,110,954.	11,701,748.	409,206.	
17 Travel	7,247,001.	6,353,686.	893,315.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	6,310,565.	5,521,172.	789,393.	
20 Interest	16,875.		16,875.	
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	17,612,594.	17,391,734.	220,860.	
23 Insurance	6,652,390.	6,575,924.	76,466.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a MEMBERSHIP & SPONSORSHIP	2,160,483.	1,849,632.	310,851.	
b GENERAL CONTRIBUTIONS	3,098,995.	2,817,374.	281,621.	
c BOOKS & PERIODICALS	1,908,582.	1,802,042.	106,540.	
d MISCELLANEOUS	752,662.	706,525.	46,137.	
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	593,423,726.	571,783,658.	21,640,070.	
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0.			

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X. ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	1,232,240.	1	1,553,513.
	2 Savings and temporary cash investments	332,382,459.	2	485,181,159.
	3 Pledges and grants receivable, net	0.	3	0.
	4 Accounts receivable, net	49,392,994.	4	39,445,250.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0.	5	0.
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0.	6	0.
	7 Notes and loans receivable, net	3,055,997.	7	0.
	8 Inventories for sale or use	0.	8	0.
	9 Prepaid expenses and deferred charges	11,403,334.	9	13,424,929.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 103,356,137.		
	b Less: accumulated depreciation.	10b 77,028,021.		
		25,384,300.	10c	26,328,116.
	11 Investments - publicly traded securities	15,000.	11	15,000.
	12 Investments - other securities. See Part IV, line 11	203,092,575.	12	141,931,768.
	13 Investments - program-related. See Part IV, line 11	0.	13	0.
	14 Intangible assets	3,961,052.	14	4,793,929.
15 Other assets. See Part IV, line 11	16,510,719.	15	15,043,511.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	646,430,670.	16	727,717,175.	
Liabilities	17 Accounts payable and accrued expenses	148,319,317.	17	167,168,875.
	18 Grants payable	0.	18	0.
	19 Deferred revenue	5,877,081.	19	4,477,061.
	20 Tax-exempt bond liabilities	0.	20	0.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	317,274,989.	21	376,543,915.
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0.	22	0.
	23 Secured mortgages and notes payable to unrelated third parties	0.	23	0.
	24 Unsecured notes and loans payable to unrelated third parties	0.	24	0.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	68,004,690.	25	80,810,094.
	26 Total liabilities. Add lines 17 through 25.	539,476,077.	26	628,999,945.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	106,954,593.	27	98,717,230.
	28 Temporarily restricted net assets	0.	28	0.
	29 Permanently restricted net assets	0.	29	0.
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	106,954,593.	33	98,717,230.
	34 Total liabilities and net assets/fund balances	646,430,670.	34	727,717,175.

Form **990** (2017)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI. ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	591,991,374.
2	Total expenses (must equal Part IX, column (A), line 25)	2	593,423,726.
3	Revenue less expenses. Subtract line 2 from line 1	3	-1,432,352.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	106,954,593.
5	Net unrealized gains (losses) on investments	5	3,259,923.
6	Donated services and use of facilities	6	0.
7	Investment expenses	7	0.
8	Prior period adjustments	8	0.
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-10,064,934.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	98,717,230.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII. ☐

- 1** Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

Form **990** (2017)

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**

▶ **Attach to Form 990 or Form 990-EZ.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
BLUE CROSS BLUE SHIELD ASSOCIATION	13-5656874

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV. (see instructions for definition of "political campaign activities")
- 2 Political campaign activity expenditures (see instructions) ▶ \$ 880,973.
- 3 Volunteer hours for political campaign activities (see instructions)

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955. ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
- 4a Was a correction made? ☐ Yes ☐ No
- b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities. ▶ \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities. ▶ \$ 580,000.
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ 580,000.
- 4 Did the filing organization file **Form 1120-POL** for this year? ☒ Yes ☐ No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(1) DEMOCRATIC GOVERNORS ASSOCIATION	1401 K STREET NW, STE. WASHINGTON, DC 20005	52-1304889	250,000.	0.
(2) REPUBLICAN GOVERNORS ASSOCIATION	1747 PENNSYLVANIA AVE. WASHINGTON, DC 20006	11-3655877	250,000.	0.
(3) DEMOCRATIC ATTORNEY GENERAL ASSOCIATION	1580 LINCOLN ST., STE. DENVER, CO 80203	05-0532524	25,000.	0.
(4) REPUBLICAN ATTORNEY GENERAL ASSOCIATION	1747 PENNSYLVANIA AVE. WASHINGTON, DC 20006	46-4501717	25,000.	0.
(5) DEMOCRATIC LEGISLATIVE CAMPAIGN	1225 I ST NW 1250 WASHINGTON, DC 20005	52-1870839	15,000.	0.
(6) REPUBLICAN STATE LEADERSHIP COMMITTEE	1201 F ST NW STE 675 WASHINGTON, DC 20004	05-0532524	15,000.	0.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2017

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

A Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)			
b Total lobbying expenditures to influence a legislative body (direct lobbying)			
c Total lobbying expenditures (add lines 1a and 1b)			
d Other exempt purpose expenditures			
e Total exempt purpose expenditures (add lines 1c and 1d)			
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.			
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:		
Not over \$500,000	20% of the amount on line 1e.		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.		
Over \$17,000,000	\$1,000,000.		
g Grassroots nontaxable amount (enter 25% of line 1f)			
h Subtract line 1g from line 1a. If zero or less, enter -0-			
i Subtract line 1f from line 1c. If zero or less, enter -0-			
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No	

4-Year Averaging Period Under section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.

See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2014	(b) 2015	(c) 2016	(d) 2017	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2017

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities?			
j Total. Add lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	X
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	X
3 Did the organization agree to carry over lobbying and political campaign activity expenditures from the prior year?	3	X

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	87,000,000.
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	11,263,683.
b Carryover from last year.	2b	
c Total	2c	11,263,683.
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues.	3	11,263,683.
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

SCHEDULE C, PART I-A, LINE 1

THE FILING ORGANIZATION MADE CONTRIBUTIONS FROM THE GENERAL TREASURY TO

SIX SECTION 527 POLITICAL ORGANIZATIONS AND SPONSORED A SEPARATE FUND

DESIGNATED FOR EXEMPT PURPOSES.

Part IV Supplemental Information *(continued)*

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

BLUE CROSS BLUE SHIELD ASSOCIATION

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Employer identification number

13-5656874

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year) . .		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).	
<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.	
a Total number of conservation easements	2a Held at the End of the Tax Year
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶	
4 Number of states where property subject to conservation easement is located ▶	
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶	
7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$	
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.	

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.	
b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:	
(i) Revenue included on Form 990, Part VIII, line 1.	▶ \$
(ii) Assets included in Form 990, Part X.	▶ \$
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:	
a Revenue included on Form 990, Part VIII, line 1.	▶ \$
b Assets included in Form 990, Part X.	▶ \$

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2017

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a** ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☒ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☒ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☒

Part V Endowment Funds.

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a** Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
c Temporarily restricted endowment ▶ _____ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i)** unrelated organizations
(ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		26,497,782.	15,581,864.	10,915,918.
d Equipment		76,858,355.	61,446,157.	15,412,198.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				26,328,116.

Schedule D (Form 990) 2017

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) NON-PUBLIC MUTUAL FUNDS	70,655,073.	COST
(B) WELLS FARGO MUTUAL FUNDS	28,449,157.	FMV
(C) EXCHANGE TRADED FUNDS	21,876,072.	COST
(D) 1 SHARE COMMON BSBSA SRVCS. INC	13,344,165.	COST
(E) INVEST. IN AFFILIATES >5%	7,397,301.	COST
(F) 206,839 COMMON, BCS INSR. CORP	210,000.	COST
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ►	141,931,768.	

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ►		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) PENSION LIABILITIES	31,415,815.	
(3) LONG-TERM DEFERRED REVENUE	8,434,772.	
(4) LEASE LIABILITY	15,872,135.	
(5) OTHER BENEFITS	4,239,858.	
(6) POST-RETIREMENT LIABILITY	20,847,514.	
(7) LONG-TERM CONTRACT REVENUE		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►	80,810,094.	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☒

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)		5	

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

Part XIII Supplemental Information (continued)

FORM 990, SCHEDULE D, PART IV, LINE 2B

ESCROW & CUSTODIAL ARRANGEMENTS

THE ASSOCIATION HOLDS FUNDS AS AGENT FOR ITS MEMBER PLANS UNDER
ARRANGEMENTS COVERING ITS BLUE CARD AND FEDERAL EMPLOYEE PROGRAM.

FORM 990, SCHEDULE D, PART X, LINE 2

FIN 48 (ASC 740) FOOTNOTE THE ASSOCIATION FOLLOWS THE REQUIREMENT OF ASC
740-10-25 "ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES," WHICH CLARIFIES
THE ACCOUNTING AND DISCLOSURES FOR UNCERTAINTY IN TAX POSITIONS, AS
DEFINED. ASC 740-10-25 SEEKS TO REDUCE THE DIVERSITY IN PRACTICE
ASSOCIATED WITH CERTAIN ASPECTS OF THE RECOGNITION AND MEASUREMENT
RELATED TO ACCOUNTING FOR INCOME TAXES. UNDER ASC 740-10-25, AN
ORGANIZATION MUST RECOGNIZE THE TAX BENEFIT ASSOCIATED WITH TAX POSITIONS
TAKEN FOR TAX RETURN PURPOSES WHEN IT IS MORE-LIKELY-THAN-NOT THAT THE
POSITION WILL BE SUSTAINED. THE ASSOCIATION DOES NOT BELIEVE THAT THERE
ARE ANY UNCERTAIN TAX POSITIONS THAT SHOULD BE RECORDED. NO INTEREST OR
PENALTIES WERE RECORDED OR INCLUDED IN THE CONSOLIDATED STATEMENT OF
ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016. THE
ASSOCIATION IS OPEN TO EXAMINATION BY TAXING AUTHORITIES FROM FISCAL YEAR
2014 FORWARD.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 23.**

▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Name of the organization

BLUE CROSS BLUE SHIELD ASSOCIATION

Employer identification number

13-5656874

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|---|---|
| <input checked="" type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input checked="" type="checkbox"/> Tax indemnification and gross-up payments | <input checked="" type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III.

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

1b	X	
2	X	
4a		X
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X
9		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2017

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 SCOTT P SEROTA PRESIDENT, CEO & BOARD MEMBER	(i) 1,214,535.	3,774,871.	575,363.	3,213,542.	32,537.	8,810,848.	1,394,262.
	(ii) 0.	0.	0.	0.	0.	0.	0.
2 JENNIFER ATKINS VP, NETWORK SOLUTIONS	(i) 110,983.	0.	14,121.	0.	25,433.	150,537.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
3 WILLIAM A BRESKIN SR. VP, GOVERNMENT PROGRAMS	(i) 313,285.	195,000.	170,427.	110,809.	30,654.	820,175.	157,775.
	(ii) 0.	0.	0.	0.	0.	0.	0.
4 BHASKAR BULUSU VP, ENTERPRISE INFORMATION	(i) 231,117.	65,000.	19,998.	10,717.	60,803.	387,635.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
5 MAUREEN CAHILL SVP & CHIEF HUMAN RES. OFFICER	(i) 376,260.	200,000.	897.	18,000.	37,479.	632,636.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
6 JOHN CERISANO VP, FEDERAL RELATIONS	(i) 262,276.	104,000.	73,101.	63,165.	49,683.	552,225.	55,101.
	(ii) 0.	0.	0.	0.	0.	0.	0.
7 TERESA CLARK VP, OFFICE OF CLINICAL AFFAIRS	(i) 275,455.	112,400.	3,067.	13,500.	46,028.	450,450.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
8 TERRY COONEY VP INVEST. & NAT EMP BEN ADMIN	(i) 252,861.	131,800.	106,173.	175,235.	50,144.	716,213.	41,805.
	(ii) 0.	0.	0.	0.	0.	0.	0.
9 KATHY DIDAWICK VP CONGRESSIONAL COMMUNICATION	(i) 323,049.	106,000.	62,009.	96,187.	42,545.	629,790.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
10 ROBERT DRELICK SR VP, CHIEF INFORMATION OFFIC	(i) 189,710.	0.	45,704.	4,442.	41,776.	281,632.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
11 ALISSA T FOX SR VP, POLICY & REPRESENTATION	(i) 480,353.	325,000.	973,051.	8,100.	23,196.	1,809,700.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
12 PAUL GERRARD VP, STRATEGIC COMMUNICATIONS	(i) 274,290.	110,000.	1,161.	15,822.	46,397.	447,670.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
13 KRIS O HALTMEYER VP, HEALTH POLICY & ANALYSIS	(i) 275,005.	115,000.	77,177.	74,462.	37,839.	579,483.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
14 JUSTINE HANDELMAN SVP, POLICY AND REPRESENTATION	(i) 367,118.	115,000.	62,590.	66,538.	28,061.	639,307.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
15 TRENT T HAYWOOD SR VP & CHIEF MEDICAL OFFICER	(i) 421,862.	220,000.	18,000.	16,200.	47,726.	723,788.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
16 KARI J HEDGES SVP, NATIONAL PROGRAMS	(i) 322,188.	185,100.	119,480.	71,897.	47,220.	745,885.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.

Schedule J (Form 990) 2017

Schedule J (Form 990) 2017

Page **2****Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
MITCHELL J HELFAND 1VP, FINANCIAL OPERATIONS	242,945.	96,400.	113,045.	107,784.	25,724.	585,898.	0.
	0.	0.	0.	0.	0.	0.	0.
KIM D HOLLAND 2VP, STATE AFFAIRS	246,109.	90,000.	18,000.	16,974.	37,751.	408,834.	0.
	0.	0.	0.	0.	0.	0.	0.
MIKE JOYCE 3VP CHIEF AUDITOR & COMPLIANCE	232,110.	100,000.	42,335.	92,757.	48,676.	515,878.	8,101.
	0.	0.	0.	0.	0.	0.	0.
NASIR KHAN 4VP & CHIEF TECHNOLOGY OFFICER	280,139.	110,000.	102,181.	53,325.	47,317.	592,962.	37,909.
	0.	0.	0.	0.	0.	0.	0.
JULIE LYNN KOEWLER 5VP, BRAND STRATEGY	149,702.	0.	20,368.	718.	28,967.	199,755.	0.
	0.	0.	0.	0.	0.	0.	0.
ROBERT J KOLODGY JR 6EXECUTIVE VP & CFO	580,710.	355,000.	32,741.	18,000.	37,014.	1,023,465.	0.
	0.	0.	0.	0.	0.	0.	0.
BRAD LUBRANT 7VP, FINANCIAL SERVICES	179,425.	43,700.	1,035.	92,445.	39,336.	355,941.	0.
	0.	0.	0.	0.	0.	0.	0.
PETAR NAUMOVSKI 8VP & CHIEF INFO. SECURITY OFCR	400,387.	239,500.	2,661.	13,500.	42,372.	698,420.	0.
	0.	0.	0.	0.	0.	0.	0.
WILLIAM S NEHS 9SR VP, GEN COUNSEL & SECRETARY	427,117.	235,000.	2,868.	18,000.	42,881.	725,866.	0.
	0.	0.	0.	0.	0.	0.	0.
WILLIAM O'LOUGHLIN 10VP & CIO FED. EMPLOYEE PROGRAM	331,983.	147,000.	130,324.	7,756.	25,825.	642,888.	1,054.
	0.	0.	0.	0.	0.	0.	0.
PATRICK POPE 11VP, DEP GENL COUN STRAT CO	223,378.	70,000.	911.	10,182.	42,016.	346,487.	0.
	0.	0.	0.	0.	0.	0.	0.
MELISSA ROTUNNO 12VP, DEPUTY GEN. COUNSEL, BRAND	207,193.	56,000.	5,000.	5,402.	42,293.	315,888.	0.
	0.	0.	0.	0.	0.	0.	0.
MAUREEN E SULLIVAN 13CHIEF STRATEGY & INNOV OFFICER	405,473.	213,000.	145,297.	28,160.	35,880.	827,810.	0.
	0.	0.	0.	0.	0.	0.	0.
MARK TALLUTO 14VP, STRATEGY AND ANALYTICS	262,057.	115,000.	21,780.	16,206.	36,785.	451,828.	0.
	0.	0.	0.	0.	0.	0.	0.
JENNIFER VACHON 15EXECUTIVE VP & CHIEF OF STAFF	419,093.	245,000.	175,589.	98,573.	46,510.	984,765.	49,458.
	0.	0.	0.	0.	0.	0.	0.
JODY A VOSS 16VP DEVELOP., INNOVATION & GPO	264,897.	110,000.	78,469.	47,325.	20,758.	521,449.	0.
	0.	0.	0.	0.	0.	0.	0.

Schedule J (Form 990) 2017

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1JOHN BANTA ED, VENTURE FUND	(i)	257,987.	78,600.	4,280.	203,514.	39,826.	584,207.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2CAROLE R FLAMM EXECUTIVE MEDICAL DIRECTOR	(i)	255,755.	79,300.	73,186.	56,894.	41,236.	506,371.	14,353.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3WINFRED D LAWRENCE JR ED, ENTERPRISE PROGRAM	(i)	223,362.	63,900.	56,617.	94,970.	14,084.	452,933.	20,337.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4STEVEN PUTZIGER EXC DIR BRAND PROTECT&FINANCE	(i)	241,074.	73,000.	37,722.	28,227.	25,361.	405,384.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5DAVID YODER ED, INTEGRATED CARE MGMT	(i)	240,212.	122,300.	19,656.	18,000.	36,282.	436,450.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Schedule J (Form 990) 2017

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

FORM 990, SCHEDULE J, PART I, LINE 1A

AS AN ORGANIZATION SERVING A SYSTEM OF LOCALLY BASED INDEPENDENT PLANS OFFERING HEALTH INSURANCE IN ALL 50 STATES, DC AND PUERTO RICO, THE ASSOCIATION'S OFFICERS ARE EXPECTED TO MAINTAIN AN UNUSUALLY DEMANDING TRAVEL SCHEDULE. ACCORDINGLY, A COMMITTEE OF THE ASSOCIATION'S BOARD COMPRISED OF INDEPENDENT PLAN EXECUTIVES HAS ESTABLISHED CEO TRAVEL POLICIES DESIGNED TO ASSURE THE ORGANIZATION IS ABLE TO MEET HIS TRAVEL COMMITMENTS, INCLUDING TRAVEL TO UNDERSERVED REGIONAL DESTINATIONS. THESE POLICIES INCLUDE THE USE OF CHARTER AIRCRAFT AND FIRST CLASS TRAVEL ON SCHEDULED COMMERCIAL FLIGHTS UNDER CERTAIN LIMITED CIRCUMSTANCES.

THE ASSOCIATION HAS DESIGNED A COMPREHENSIVE FINANCIAL AND SERVICE RELOCATION PROGRAM TO ASSIST RELOCATING EMPLOYEES AND NEW HIRES WITH THE RELOCATION PROCESS. THE ASSOCIATION MAY PROVIDE A TAX GROSS UP ON ALL OR PART OF A RELOCATING EMPLOYEE'S TAXABLE RELOCATION EXPENSES IN ORDER TO ASSIST THE RELOCATING EMPLOYEE OR NEW HIRE FOR NEGATIVE TAX CONSEQUENCES DUE TO RELOCATION EXPENSES. THE EXPENSES ARE REIMBURSED AND INCLUDED IN TAXABLE COMPENSATION, IF APPLICABLE, IN ACCORDANCE WITH THE ASSOCIATION'S POLICY.

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

TO FACILITATE BUSINESS MEETINGS WITH VISITING PLAN OFFICIALS AND OTHERS
AND TO FOSTER SOCIAL INTERACTION SERVING THE INTERESTS OF THE ASSOCIATION
AND TO FOSTER THEIR GOOD HEALTH, THE ASSOCIATION REIMBURSES A LUNCHEON
CLUB MEMBERSHIP FOR OFFICERS. THE EXPENSES ARE REIMBURSED AND INCLUDED IN
TAXABLE COMPENSATION, IF APPLICABLE, IN ACCORDANCE WITH THE ASSOCIATION'S
POLICY.

FORM 990, SCHEDULE J, PART I, LINE 3

THE COMPENSATION OF THE CEO AND THE CONTINUED RETENTION OF HIS SERVICES
ARE APPROVED EACH YEAR BY A COMMITTEE OF THE ASSOCIATIONS BOARD COMPRISED
OF INDEPENDENT PLAN EXECUTIVES. THAT COMMITTEE ACTS AFTER DELIBERATIONS
BASED UPON ADVICE FROM A QUALIFIED INDEPENDENT COMPENSATION CONSULTING
FIRM. THE CONSULTANTS ADVICE AND THOSE DELIBERATIONS INCLUDE A REVIEW OF
THE RESULTS OF THE INDEPENDENT CONSULTANTS RESEARCH REGARDING
COMPENSATION PAID BY OTHER ORGANIZATIONS FOR OFFICERS SERVING IN
CAPACITIES COMPARABLE TO THAT OF THE ASSOCIATIONS CEO. EACH YEAR THIS
COMMITTEES DECISIONS ARE REPORTED TO THE FULL BOARD DURING A REGULARLY
SCHEDULED MEETING. THE BOARD DELIBERATES ON BOTH MATTERS. EXTENSION OF

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

THE PERIOD OF THE CEOS SERVICE REQUIRES ACTION BY THE FULL BOARD. THE COMPENSATION DETERMINATIONS OF THE COMMITTEE STAND APPROVED UNLESS THE BOARD EXERCISES ITS INHERENT PREROGATIVE TO MODIFY THE COMMITTEES COMPENSATION DECISIONS. THE SAME COMMITTEE OF INDEPENDENT PLAN EXECUTIVES ANNUALLY RECEIVES THE CEOS RECOMMENDATIONS REGARDING THE COMPENSATION TO BE PAID TO THE OFFICERS. AS WITH THE CEOS COMPENSATION, THE DELIBERATIONS OF THIS COMMITTEE AND ITS DECISIONS TO APPROVE OR MODIFY THE CEOS RECOMMENDATION ARE BASED UPON THE RESULTS OF AN INDEPENDENT CONSULTANTS MARKET RESEARCH REGARDING COMPARABLE OFFICER PAY AND THE INDEPENDENT CONSULTANTS ADVICE.

FORM 990, SCHEDULE J, PART I, LINE 4
AS REQUIRED BY THE INSTRUCTIONS TO FORM 990, SCHEDULE J, PART II, A
HYPOTHETICAL SERP ACCRUAL WAS CALCULATED FOR EACH REPORTABLE PERSON WHO WAS ELIGIBLE TO PARTICIPATE IN THAT PROGRAM. THE ACCRUAL AMOUNTS WERE DETERMINED USING THE ASSOCIATION'S BEST ESTIMATE OF THE ACCRUAL USING THE METHODOLOGY SPECIFIED IN THE INSTRUCTIONS TO SCHEDULE J. BECAUSE VESTED ACCRUALS UNDER THE SERP ARE CURRENTLY TAXED BASED ON A DIFFERENT METHODOLOGY AND THE INSTRUCTIONS TO SCHEDULE J SPECIFY THAT AMOUNTS

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

REPORTED IN COLUMNS B(I) THROUGH B(III) SHOULD NOT BE REPORTED AGAIN IN
COLUMN C OR D, THE AMOUNT OF IMPUTED SERP INCOME REPORTED IN COLUMN
B(III) WAS SUBTRACTED IN EACH CASE AND THE BALANCE OF THE HYPOTHETICAL
ACCRUAL WAS INCLUDED IN COLUMN C FOR THE APPLICABLE REPORTABLE PERSONS AS

FOLLOWS:

SCOTT P SEROTA - 1,286,632

WILLIAM A BRESKIN - 36,434

JOHN CERISANO - 11,336

TERRY COONEY - 82,493

KATHY RIPLEY DIDAWICK - 39,427

KRIS O HALTMEYER - 25,087

JUSTINE HANDELMAN - 27,723

KARI J HEDGES - 28,142

MITCHELL J HELFAND - 12,220

MIKE JOYCE - 35,288

JENNIFER VACHON - 52,164

JODY A VOSS - 2,221

STEVEN PUTZIGER - 50

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

THE COMBINED TOTAL OF IMPUTED SERP INCLUDED IN COLUMN C: \$1,639,219.

FORM 990, SCHEDULE J, PART I, LINE 7

THE ASSOCIATION MAINTAINS AN ASSOCIATION WIDE ANNUAL PERFORMANCE BONUS PROGRAM THAT ASSURES A PORTION OF EMPLOYEES ANNUAL COMPENSATION IS CONTINGENT UPON THE ATTAINMENT OF PRE-APPROVED ORGANIZATIONAL PERFORMANCE GOALS, AS WEIGHTED BY THE PERFORMANCE MEASUREMENT PROCESS THAT EVALUATES EACH INDIVIDUAL EMPLOYEES EFFORTS. OFFICERS, LIKE ALL EMPLOYEES, ARE ELIGIBLE TO PARTICIPATE IN THIS PROGRAM. THE PERFORMANCE GOALS AND THE BUDGET FOR THIS BONUS PROGRAM ARE APPROVED EACH YEAR BY THE ASSOCIATIONS BOARD BASED UPON RECOMMENDATIONS FROM A BOARD COMMITTEE CONSISTING OF INDEPENDENT PLAN EXECUTIVES. MOREOVER, THE PERFORMANCE ASSESSMENT JUDGMENTS AND THE APPROVAL OF ACTUAL PAYOUTS REQUIRE APPROVAL BY THAT COMMITTEE. THE CEO AND AN EXECUTIVE DIRECTOR ALSO PARTICIPATE IN A LONG TERM INCENTIVE BONUS PROGRAM. AS WITH THE REGULAR PERFORMANCE BONUS PROGRAM, PAYOUTS UNDER THE LONG TERM INCENTIVE PROGRAM REFLECT THE EXTENT TO WHICH PRE-ESTABLISHED PERFORMANCE GOALS ARE REACHED. HOWEVER, UNLIKE THE ANNUAL PERFORMANCE BONUS PROGRAM, THE LONG TERM INCENTIVE PROGRAM OPERATES ON A MULTI-YEAR CYCLE TO ASSURE THAT THE CEO AND EXECUTIVE

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

DIRECTOR HAVE INCENTIVES THAT LOOK BEYOND THE IMMEDIATE YEAR. THIS PROGRAM, THE PERFORMANCE MEASUREMENTS AND THE ASSESSMENT OF THE ACHIEVEMENT OF THOSE GOALS AND THE RESULTING PAYOUT AMOUNTS ARE ALL APPROVED BY THE SAME BOARD COMMITTEE DESCRIBED ABOVE AND REPORTED TO THE FULL BOARD. THE COMMITTEES DELIBERATIONS REGARDING THE ESTABLISHMENT OF THE PROGRAM, THE SELECTION OF THE PERFORMANCE FACTORS AND ASSESSMENT OF PERFORMANCE ALL INCLUDE CONSULTATION AND RECOMMENDATION FROM A QUALIFIED INDEPENDENT COMPENSATION CONSULTANT BASED UPON A MARKET STUDY OF COMPARABLE PROGRAMS FOR COMPARABLE EXECUTIVES.

SCHEDULE L
(Form 990 or 990-EZ)

Transactions With Interested Persons

OMB No. 1545-0047

2017

**Open To Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**

▶ **Attach to Form 990 or Form 990-EZ.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Name of the organization

BLUE CROSS BLUE SHIELD ASSOCIATION

Employer identification number

13-5656874

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization. ▶ \$

Part II Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
Total ▶ \$												

Part III Grants or Assistance Benefiting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule L (Form 990 or 990-EZ) 2017

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) N PARKER	OFFICER'S FAMILY MEMBER	104,264.	EMPLOYEE SALARY		X
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions).

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

BLUE CROSS BLUE SHIELD ASSOCIATION

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Employer identification number

13-5656874

FORM 990, PART I, LINE 1

THE ORGANIZATION'S TAX EXEMPT PURPOSE IS PROMOTING THROUGH INDEPENDENT
BLUE CROSS AND BLUE SHIELD MEMBER PLANS, THE COMMON GOOD AND GENERAL
WELFARE OF THE COMMUNITY BY FOSTERING BROAD-BASED HEALTH INSURANCE
COVERAGE.

FORM 990, PART III, LINE 1

THE ASSOCIATION SERVES ITS MEMBERSHIP CONSISTING OF INDEPENDENT BLUE
CROSS AND BLUE SHIELD MEMBER PLANS THAT OPERATE WITHIN SPECIFIC
GEOGRAPHIC SERVICE AREAS. THE ASSOCIATION PROVIDES A VARIETY OF SERVICES
TO MEMBER PLANS AND COORDINATES GOVERNMENT SERVICES, SUCH AS THE CONTRACT
UNDER THE FEDERAL EMPLOYEE HEALTH BENEFIT PROGRAM (FEP), WHICH IS THE
CORE OF THE ORGANIZATION'S EXEMPT PURPOSE OF PROMOTING THE COMMON GOOD
AND GENERAL WELFARE OF THE COMMUNITY BY FOSTERING BROAD-BASED HEALTH
INSURANCE COVERAGE.

FORM 990, PART III, LINE 4A

THE BLUE CROSS AND BLUE SHIELD ASSOCIATION'S FEDERAL EMPLOYEE PROGRAM
(FEP) ADMINISTERS THE BLUE CROSS AND BLUE SHIELD SERVICE BENEFIT PLAN.
APPROXIMATELY 64 PERCENT OF ALL FEDERAL EMPLOYEES AND RETIREES WHO
RECEIVED THEIR HEALTH CARE BENEFITS THROUGH THE GOVERNMENT'S FEDERAL
EMPLOYEES HEALTH BENEFITS PROGRAM (FEHBP) ARE MEMBERS OF THE SERVICE
BENEFIT PLAN RECEIVING HEALTH COVERAGE THROUGH MEMBER PLANS. SERVICE
BENEFIT PLAN HAS BEEN PART OF THE FEHBP SINCE ITS INCEPTION IN 1960 AND

Name of the organization BLUE CROSS BLUE SHIELD ASSOCIATION	Employer identification number 13-5656874
--	--

IS THE LARGEST PLAN IN THE PROGRAM. ACCOMPLISHMENTS IN 2017 INCLUDED THE CONTINUED MODERNIZATION OF FEP'S CENTRAL CLAIM SYSTEM, FURTHER ENHANCEMENTS TO MEMBER HEALTH TOOLS AND MEMBER'S DIGITAL EXPERIENCE WITH THE INTRODUCTION OF A MOBILE APP. ADDITIONAL ACHIEVEMENTS INCLUDE THE CONTINUED DEVELOPMENT OF INTEGRATED CARE MANAGEMENT PROGRAMS ACROSS THE ENTIRE SPECTRUM TO SERVE MEMBERS AND IMPROVE MEMBER'S EXPERIENCE, INCLUDING THE IMPLEMENTATION OF TELEHEALTH SERVICES FOR MINOR ACUTE CONDITIONS. RETENTION RATE WAS 99.1%.

FORM 990, PART III, LINE 4B

THE BLUECARD PROGRAM ENABLES BLUE PLAN MEMBERS TO RECEIVE THE BENEFITS OF THEIR INSURANCE CONTRACTS WHILE TRAVELING OR LIVING IN ANOTHER MEMBER PLAN'S GEOGRAPHIC SERVICE AREA. THROUGH BLUECARD, BLUE PLAN MEMBERS ARE GIVEN SEAMLESS NATIONAL ACCESS TO PHYSICIANS AND HOSPITALS THAT PARTICIPATE IN BLUE NETWORKS. ADDITIONALLY, THE PROGRAM LINKS PARTICIPATING HEALTHCARE PROVIDERS WITH THE INDEPENDENT BLUE CROSS AND BLUE SHIELD PLANS THROUGH A SINGLE ELECTRONIC NETWORK FOR CLAIMS PROCESSING AND REIMBURSEMENT.

FORM 990, PART III, LINE 4C

AS THE UMBRELLA ORGANIZATION FOR THE MEMBER PLANS, THE ASSOCIATION COORDINATES ADVERTISING AND COMMUNICATION PROGRAMS, PROVIDING POLICY AND REPRESENTATION OF MEMBER INTERESTS, MONITORS AND FOSTERS THE FINANCIAL STABILITY OF ALL THE PLANS AND SUPPORTS THE ABILITY OF THE PLANS TO OPERATE EFFICIENTLY BY PROVIDING CONFERENCES, CONSULTING AND

Name of the organization

BLUE CROSS BLUE SHIELD ASSOCIATION

Employer identification number

13-5656874

MISCELLANEOUS SERVICES TO THE PLANS.

FORM 990, PART III, LINE 4D

OTHER PROGRAM SERVICE ACCOMPLISHMENTS THE ASSOCIATION DEVELOPS, ENHANCES AND PROTECTS THE VALUE OF THE BLUE CROSS AND BLUE SHIELD BRAND NAMES AND SYMBOLS AND SUPPORTS THE OVERSIGHT AND MANAGEMENT OF MEMBER PLAN LICENSE AGREEMENTS. EXPENSE: 59,239,622 GRANTS: NONREVENUE: 68,195,562. THE ASSOCIATION PROVIDES OPTIONAL CONSULTING SERVICES AND OTHER MISCELLANEOUS PROJECTS. EXPENSE: 43,634,677 GRANTS: NONREVENUE: 47,965,080 OPERATION OF THE NATIONAL EMPLOYEE BENEFITS ADMINISTRATION PROGRAM WHICH PROVIDES A COMPREHENSIVE GROUP PACKAGE OF EMPLOYEE BENEFITS PROGRAMS TO THE PLANS. EXPENSE: 15,680,090 GRANTS: NONREVENUE: 16,081,662 NATIONAL DATA WAREHOUSE (NDW) IS A CENTRAL DATA WAREHOUSE COMPOSED OF AGGREGATE STANDARDIZED AND DE-IDENTIFIED DATA (SUCH AS MEDICAL AND DRUG CLAIMS, MEMBERSHIP AND OTHER PROVIDER INFORMATION) OBTAINED FROM PARTICIPATING MEMBER PLANS FOR USE IN COMPLEMENTING THE ANALYTICAL SYSTEM WITHIN EACH OF THE PLANS TO IMPROVE BUSINESS INTELLIGENCE AND FOR THE BENEFIT OF UNDERSTANDING AND MANAGING HEALTH CARE COSTS AND QUALITY VIA BENCHMARKING AND TREND ANALYSIS. EXPENSE: 15,453,424 GRANTS: NONREVENUE: 4,190,045 OPERATION OF THE TELECOMMUNICATION NETWORK WHICH FACILITATES INTER-PLAN COMMUNICATION. EXPENSE: 12,228,779 GRANTS: NONREVENUE: 19,354,183

FORM 990, PART IV, LINE 28

FOR YEARS THROUGH 2016, THE ORGANIZATION RESPONDED YES TO FORM 990, PART

Name of the organization	Employer identification number
BLUE CROSS BLUE SHIELD ASSOCIATION	13-5656874

IV, LINE 28(C) AND REPORTED ON SCHEDULE L PART IV, TRANSACTIONS WITH ENTITIES WHERE AN OFFICER OR DIRECTOR OF THE ENTITY WAS ALSO AN OFFICER OR DIRECTOR OF THE ORGANIZATION. THIS IS CONSISTENT WITH THE 2013 SCHEDULE L PART IV DEFINITION OF AN INTERESTED PERSON. THIS DEFINITION OF INTERESTED PERSON IN THE 2013 INSTRUCTIONS TO SCHEDULE L WAS DELETED IN THE 2014 SCHEDULE L INSTRUCTIONS.

THE CURRENT INSTRUCTIONS TO SCHEDULE L PROVIDE THAT ORGANIZATION SHOULD ANSWER YES TO FORM 990, PART IV, LINES 28A, 28B, OR 28C, ONLY IF THE PARTY TO THE TRANSACTION WAS AN INTERESTED PERSON AS DEFINED IN THE SCHEDULE L INSTRUCTIONS, AND THE THRESHOLD AMOUNTS DESCRIBED IN THE SPECIFIC INSTRUCTIONS TO SCHEDULE L, PART IV ARE MET. THERE ARE NO ENTITIES THAT MEET THE DEFINITION OF AN INTERESTED PERSON UNDER THE CURRENT INSTRUCTIONS TO SCHEDULE L. ACCORDINGLY, THE ORGANIZATION HAS RESPONDED NO TO FORM 990, PART IV, LINE 28(C) AND NO ENTITIES ARE REPORTED IN SCHEDULE L PART IV AS HAVING BUSINESS TRANSACTION WITH THE ORGANIZATION.

FORM 990, PART VI, SECTION A, LINE 2
VARIOUS ASSOCIATION BOARD MEMBERS (DIRECTORS) ALSO SIT ON THE BOARD OF BLUE CROSS BLUE SHIELD ASSOCIATION AFFILIATES.

FORM 990, PART VI, SECTION A, LINE 6
BCBSA HAS THIRTY-SIX (36) INDEPENDENT HEALTH CARE PLAN LICENSEES OPERATING IN SPECIFIED DOMESTIC SERVICE AREAS. ALL HEALTH CARE PLAN LICENSEES ARE ASSOCIATION MEMBERS.

Name of the organization BLUE CROSS BLUE SHIELD ASSOCIATION	Employer identification number 13-5656874
--	--

FORM 990, PART VI, SECTION A, LINE 7A

EACH PRIMARY LICENSEE MEMBER PLAN, BY THE AUTHORITY OF THEIR INDIVIDUAL GOVERNING DOCUMENTS, SELECT THE CEO OF THEIR RESPECTIVE COMPANIES TO SERVE AS A MEMBER OF THE ASSOCIATION'S BOARD.

FORM 990, PART VI, SECTION A, LINE 7B

CERTAIN GOVERNING DECISIONS, SUCH AS BY-LAW AMENDMENTS, REQUIRE ACTION BY BOTH THE ASSOCIATION'S BOARD AND ITS MEMBER PLANS.

FORM 990, PART VI, SECTION B, LINE 11B

IN GENERAL, FORM 990 CONTENT AND SOURCES OF INFORMATION ARE REVIEWED BY SUBJECT MATTER EXPERTS INCLUDING, BUT NOT LIMITED TO, INTERNAL AND EXTERNAL TAX (PWC) AND ACCOUNTING PROFESSIONALS AND INTERNAL LEGAL PERSONNEL. FINALIZING THE RETURN DRAFT CONSISTS OF DISCUSSIONS BETWEEN FINANCE OFFICERS AND FINANCE MANAGERS REGARDING THE NUMERIC RESULTS AND WRITTEN RESPONSES TO SELECT RETURN QUESTIONS. UPON INTERNAL AGREEMENT AS TO THE FORM AND CONTENT, AN ELECTRONIC DRAFT 990 IS SENT TO THE ASSOCIATION'S BOARD PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12C

BCBSA MAINTAINS A COMPREHENSIVE CODE OF CONDUCT AND COMPLIANCE PROGRAM APPLICABLE TO ALL EMPLOYEES AND OFFICERS. IN ADDITION, ALL EMPLOYEES, OFFICERS, AND BOARD MEMBERS ARE REQUIRED TO COMPLETE AN ANNUAL CONFLICT OF INTEREST FORM. THE BCBSA CHIEF AUDITOR AND COMPLIANCE OFFICER IS CHARGED WITH INVESTIGATING ANY ALLEGATIONS OF NON-COMPLIANCE WITH THE CODE OF CONDUCT, INCLUDING ANY COMPLAINTS REPORTED THROUGH THE ANONYMOUS HOTLINE MAINTAINED THROUGH AN INDEPENDENT ORGANIZATION. THE RESULTS OF

Name of the organization	Employer identification number
BLUE CROSS BLUE SHIELD ASSOCIATION	13-5656874

THE COMPLIANCE PROGRAMS EFFECTIVENESS ARE REPORTED TO THE FINANCIAL AND
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS ON AN ANNUAL BASIS. FAILURE TO
ADHERE TO THE CODE OF CONDUCT MAY RESULT IN DISCIPLINARY ACTION, UP TO
AND INCLUDING TERMINATION OF EMPLOYMENT.

FORM 990, PART VI, SECTION B, LINES 15A & 15B

THE COMPENSATION OF THE CEO AND THE CONTINUED RETENTION OF HIS SERVICES
ARE APPROVED EACH YEAR BY A COMMITTEE OF THE ASSOCIATION'S BOARD
COMPRISED OF INDEPENDENT PLAN EXECUTIVES. THAT COMMITTEE ACTS AFTER
DELIBERATIONS BASED UPON ADVICE FROM A QUALIFIED INDEPENDENT COMPENSATION
CONSULTING FIRM. THE CONSULTANT'S ADVICE AND THOSE DELIBERATIONS INCLUDE
A REVIEW OF THE RESULTS OF THE INDEPENDENT CONSULTANT'S RESEARCH
REGARDING COMPENSATION PAID BY OTHER ORGANIZATIONS FOR OFFICERS SERVING
IN CAPACITIES COMPARABLE TO THAT OF THE ASSOCIATION'S CEO. EACH YEAR THIS
COMMITTEE'S DECISIONS ARE REPORTED TO THE FULL BOARD DURING A REGULARLY
SCHEDULED MEETING. THE BOARD DELIBERATES ON BOTH MATTERS. EXTENSION OF
THE PERIOD OF THE CEO'S SERVICE REQUIRES ACTION BY THE FULL BOARD. THE
COMPENSATION DETERMINATIONS OF THE COMMITTEE STAND APPROVED UNLESS THE
BOARD EXERCISES ITS INHERENT PREROGATIVE TO MODIFY THE COMMITTEE'S
COMPENSATION DECISIONS. THE SAME COMMITTEE OF INDEPENDENT PLAN EXECUTIVES
ANNUALLY RECEIVES THE CEO'S RECOMMENDATIONS REGARDING THE COMPENSATION TO
BE PAID TO THE OFFICERS. AS WITH THE CEO'S COMPENSATION, THE
DELIBERATIONS OF THIS COMMITTEE AND ITS DECISIONS TO APPROVE OR MODIFY
THE CEO'S RECOMMENDATION ARE BASED UPON THE RESULTS OF AN INDEPENDENT
CONSULTANT'S MARKET RESEARCH REGARDING COMPARABLE OFFICER PAY AND THE
INDEPENDENT CONSULTANT'S ADVICE.

Name of the organization BLUE CROSS BLUE SHIELD ASSOCIATION	Employer identification number 13-5656874
--	--

FORM 990, PART VI, SECTION C, LINE 19

THE ASSOCIATION COMPLIES WITH ALL APPLICABLE PUBLIC DISCLOSURE REQUIREMENTS. THUS, FOR EXAMPLE, MEMBERS OF THE PUBLIC MAY REQUEST AN OPPORTUNITY TO REVIEW THE ASSOCIATION'S FORM 990 OR TO MAKE A COPY BY SENDING A WRITTEN REQUEST OR APPEARING IN PERSON AT ITS PRINCIPAL OFFICE OR ANY OF ITS OTHER LOCATIONS. THE ASSOCIATION'S FAVORABLE DETERMINATION LETTER REGARDING ITS TAX EXEMPT STATUS AND MATERIALS COMPRISING ITS EXEMPTION APPLICATION ARE ALSO AVAILABLE IN THIS MANNER. IF THE ASSOCIATION'S GOVERNING DOCUMENTS (ARTICLES OF INCORPORATION AND BYLAWS) AND CONFLICT OF INTEREST POLICY ARE SUBJECT TO APPLICABLE FEDERAL OR STATE PUBLIC DISCLOSURE REQUIREMENTS, THOSE DOCUMENTS WILL BE MADE PUBLICLY AVAILABLE AS APPLICABLE LAW MAY REQUIRE. FOR EXAMPLE, FORM 990 FILINGS MAY INCLUDE BYLAW AMENDMENTS AND THOSE AMENDMENTS WILL BE MADE AVAILABLE AS NOTED ABOVE. OTHERWISE, THE GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY WILL BE PROVIDED TO THE PUBLIC AT THE DISCRETION OF THE ASSOCIATION'S MANAGEMENT.

FORM 990, PART XI, LINE 9

OTHER CHANGES IN NET ASSETS:

OTHER COMPREHENSIVE INCOME-ASC 715	\$ (2,998,179)
LOSS ON SETTLEMENT OF RETIREMENT OBLIGATION	\$ (4,873,794)
ADDITIONAL K-1 REVENUE	\$ (2,192,961)

TOTAL	\$ (10,064,934)

Name of the organization	Employer identification number
BLUE CROSS BLUE SHIELD ASSOCIATION	13-5656874
ATTACHMENT 1	

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
HEALTH INTELLIGENCE CO. LLC 225 N. MICHIGAN AVENUE CHICAGO, IL 60601	DATA ANALYTICS	24,300,460.
KIRKLAND & ELLIS 200 E RANDOLPH DRIVE CHICAGO, IL 60601	LEGAL SERVICES	24,526,249.
BEELINE SETTLEMENT COMPANY 12724 GRAN BAY PKWY WEST JACKSONVILLE, FL 32258	WORKFORCE STAFFING	13,409,640.
DXC TECHNOLOGY SERVICES LLC 1775 TYSONS BLVD TYSONS, VA 22102	IT SERVICE SOLUTIONS	11,388,137.
WORLDWIDE INSURANCE SERVICES LLC 100 MATSONFORD ROAD RADNOR, PA 19087	INTERL MED INSURANCE	9,842,712.

ATTACHMENT 2FORM 990, PART IX - OTHER FEES

DESCRIPTION	(A) TOTAL FEES	(B) PROGRAM SERVICE EXP.	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING EXPENSES
VARIOUS CONSULTING FEES	174,447,708.	173,767,476.	680,232.	
TEMPORARY HELP	19,989,967.	19,919,368.	70,599.	
PRINTING & GRAPHICS	2,388,895.	2,326,309.	62,586.	
RECRUITING	986,826.	971,221.	15,605.	
TOTALS	<u>197,813,396.</u>	<u>196,984,374.</u>	<u>829,022.</u>	

SCHEDULER R
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization

BLUE CROSS BLUE SHIELD ASSOCIATION

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public
Inspection

Employer identification number

13-5656874

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

	(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)						
(2)						
(3)						
(4)						
(5)						
(6)						

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
							Yes	No
(1)	HEALTH SERVICES FOUNDATION 225 NORTH MICHIGAN AVENUE CHICAGO, IL 60601 23-7011867	EDUC., RSRCH.	IL	501 (C) (3)	10	N/A		X
(2)	BC AND BS FOUNDATION ON HEALTH CARE 225 NORTH MICHIGAN AVENUE CHICAGO, IL 60601 23-7164980	EDUC., RSRCH.	IL	501 (C) (3)	10	N/A		X
(3)								
(4)								
(5)								
(6)								
(7)								

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2017

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512 - 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?
(1) BLUE CROSS BLUE SHIELD INSTITUTE, INC. 225 NORTH MICHIGAN AVENUE CHICAGO, IL 60601	COMMUNITY HEA	IL	N/A	C CORP	-2,807,710.	1,994,091.	100.0000	X
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity.
- b** Gift, grant, or capital contribution to related organization(s).
- c** Gift, grant, or capital contribution from related organization(s).
- d** Loans or loan guarantees to or for related organization(s).
- e** Loans or loan guarantees by related organization(s).
- f** Dividends from related organization(s).
- g** Sale of assets to related organization(s).
- h** Purchase of assets from related organization(s).
- i** Exchange of assets with related organization(s).
- j** Lease of facilities, equipment, or other assets to related organization(s).

- k** Lease of facilities, equipment, or other assets from related organization(s).
- l** Performance of services or membership or fundraising solicitations for related organization(s).
- m** Performance of services or membership or fundraising solicitations by related organization(s).
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s).
- o** Sharing of paid employees with related organization(s).

- p** Reimbursement paid to related organization(s) for expenses.
- q** Reimbursement paid by related organization(s) for expenses.

- r** Other transfer of cash or property to related organization(s).
- s** Other transfer of cash or property from related organization(s).

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

		(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)	BLUE CROSS BLUE SHIELD INSTITUTE, INC.		Q	3,838,872.	ACTUAL COST
(2)	BLUE CROSS BLUE SHIELD INSTITUTE, INC.		P	94,201.	ACTUAL COST
(3)					
(4)					
(5)					
(6)					

Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R. See instructions.